

## Message Text

LIMITED OFFICIAL USE

PAGE 01 MTN GE 01341 01 OF 03 241322Z  
ACTION STR-04

INFO OCT-01 ISO-00 STRE-00 AF-08 ARA-06 EA-07 EUR-12  
NEA-10 IO-13 OIC-02 AGRE-00 CEA-01 CIAE-00 COME-00  
DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04  
NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 ITC-01  
TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01 /133 W  
-----241420 027368 /46

P R 241222Z FEB 77  
FM USDEL MTN GENEVA  
TO SECSTATE WASHDC PRIORITY 2270  
INFO ALL OECD CAPITALS 157  
AMEMBASSY BELGRADE  
AMEMBASSY BOGOTA  
AMEMBASSY BRASILIA  
AMEMBASSY BUENOS AIRES  
AMEMBASSY CAIRO  
AMEMBASSY CARACAS  
AMEMBASSY ISLAMABAD  
AMEMBASSY JAKARA  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY LAGOS  
AMEMBASSY MANILA  
AMEMBASSY MEXICO CITY  
AMEMBASSY NAIROBI  
AMEMBASSY NEW DELHI  
AMEMBASSY SEOUL  
AMEMBASSY TEL AVIV  
USMISSION USUN NEW YORK

LIMITED OFFICIAL USE SECTION 1 OF 3 MTN GENEVA 1341

ACTION STR, PASS GREENWALD, LANDE, MATTHEISEN

H PASS CODEL

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MTN GE 01341 01 OF 03 241322Z

E.O. 11652: N/A  
TAGS: ETRD MTN GATT  
SUBJECT: MTN FRAMEWORK GROUP MEETING, FEBRUARY 21-22, 1977

REF: (A) TPSC 77-18; (B) MTN GENEVA 1020 (NOTAL);  
(C) 76 MTN GENEVA 9961; (D) 76 MTN GENEVA 8858

1. SUMMARY: FIRST SUBSTANTIVE MEETING OF MTN FRAMEWORK GROUP DEVOTED ENTIRELY TO TOUR D'HORIZON STATEMENTS BY MAJOR DELS. PROCEDURAL ISSUES TOUCHED ONLY LIGHTLY OR IGNORED. LDC DELS, INSPIRED BY TABLING OF BRAZILIAN "CONCEPT PAPAERS," DELIVERED SWEEPING CALLS FOR OVERHAULING GATT FRAMEWORK; U.S., EC, AND JAPAN COUNTERED WITH MORE CONSERVATIVE AND OFTEN SIMILAR STATEMENTS, REVEALING JAPAN ANCHORED MOST FIRMLY TO STATUS QUO. U.S. STATEMENT COVERED ALL FIVE TOPICS ON GROUP AGENDA (AS DID EC AND JAPAN), SUPPLEMENTED BY TABLING OF U.S. PAPERS ON BOP, DISPUTE MANAGEMENT, AND EXPORT RESTRICTIONS ALL AIMING AT BRINGING GROUP'S INITIAL FOCUS ON TOPICS TO PROBLEMS WITHIN EXISTING GATT FRAMEWORK RATHER THAN ULTIMATE SOLUTIONS. NEXT MEETING SCHEDULED FOR "SOMETIME IN MAY" TO RESUME DISCUSSION; IN MEANTIME, MAJOR STATEMENTS BEING CIRCULATED AND FURTHER LDC PROPOSALS ANTICIPATED. END SUMMARY.

2. MTN FRAMEWORK GROUP CONTINUING UNDER TEMPORARY CHAIRMANSHIP OF GATT DG LONG, CONVENED FEBRUARY 21-22 FOR FIRST SUBSTANTIVE CONSIDERATION OF FIVE AGENDA ITEMS (LEGAL BASIS FOR S&D; BOP AND ECONOMIC DEVELOPEMENT SAFEGUARDS; CONSULTATION, SURVEILLANCE, AND DISPUTE SETTLEMENT; RECIPROCITY AND GRADUATION; AND EXPORT RESTRICTIONS -- SEE REF D). AS FORESEEN AT FEB. 11 SEVEN PLUS SEVEN MEETING (REF B), THIS SESSION ALMOST ENTIRELY DEVOTED TO PREPARED STATEMENTS OF POSITION BY MAJOR DC AND LDC DELS, WITH LITTLE OR NO FOLLOW-UP DISCUSSION; EARLIER BILATERAL CONSULTATIONS (SEE MTN GENEVA 1043 NOTAL) AND CORRIDOR CONVERSATIONS ALSO YIELDED SOME USEFUL INSIGHTS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MTN GE 01341 01 OF 03 241322Z

3. BRAZIL (AMB. MACIEL) DELIVERED VERBATIM STATEMENT PROVIDED US PRIOR TO MEETING (HAND CARRIED TO STR LAST WEEKEND). BRAZILIAN STATEMENT, TOGETHER WITH FIVE "CONCEPT PAPERS," AMOUNTED TO CALL FOR SWEEPING OVERHAUL OF GATT FRAMEWORK WITH MINIMAL FOCUS ON PROBLEMS WITH, AND ACTUAL PRACTICE UNDER EXISTING FRAMEWORK FOR WORLD TRADE, BRAZIL CHARACTERIZED GATT AS "PASSIVE FORUM" WITH REGARD TO LDC INTERESTS, AND SAID ITS PROPOSALS REFLECTED MINIMUM EXPECTATIONS OF DEVELOPING COUNTRIES. THESE PROPOSALS INCLUDED (A) "STANDING LEGAL BASIS" FOR MORE SECURE GSP, PLUS LEGAL BASIS FOR NEGOTIATING PREFERENTIAL BINDINGS FOR LDC'S, PLUS GENERAL ENABLING CLAUSE FOR SPECIAL AND DIFFERENTIAL (S/D) MEASURES FOR LDCS; (B) EXEMPTION OF LDC'S FROM BOP MEASURES TAKEN BY DEVELOPED COUNTRIES, TOGETHER WITH SUBSTANTIALLY WEAKER GATT ACCOUNTABILITY ON BOP ACTION BY LDC'S; (C) OVERHAUL OF ARTICLE XVIII:A AND C TO PROVIDE LDC'S LEGAL BASIS FOR TAKING SAFEGUARD ACTIONS RELATED TO ANY ECONOMIC DEVELOPMENT OBJECTIVE; (D) REVISION OF PROCEDURES AND INSTITUTIONAL INNOVATIONS FOR CONSULTATION, DISPUTE SETTLEMENT, AND SURVEILLANCE IN

ORDER TO "COUNTER BALANCE THE INEQUALITY OF ECONOMIC WEIGHT"  
BETWEEN DC'S AND LDC'S IN THE EXERCISE OF THEIR RIGHTS AND  
OBLIGATIONS; AND (E) INTRODUCTION OF "NORMS AND CRITERIA"  
INTO ARTICLE XXXVI:8 THAT WOULD ENSHRINE PRINCIPLE OF  
NON-RECIPROCITY FOR ALL DC-LDC TRADE NEGOTIATIONS, AS WELL  
AS DELAYED STAGING AND PERIODIC REVIEW OF CONCESSIONS  
BY LDC'S TO ENSURE AN ENDURING "BALANCE OF CONCESSIONS"  
THAT IS EXPLICITLY SKEWED IN FAVOR OF LDC'S.

4. BRAZILIAN STATEMENT, DISTRIBUTED TO GROUP IMMEDIATELY  
FOLLOWING MACIEL INTERVENTION, RECEIVED GENERAL ENDORSEMENT  
AS BASIS FOR FRAMEWORK GROUP DISCUSSION FROM MEXICO, YUGOSLAVIA,  
EGYPT, PAKISTAN, ARGENTINA, ECUADOR (FOR ANDEAN GROUP) AND MALAYSIA.  
MEXICO (AMB. ARMENDARIZ) CALLED FOR A FORTIFIED GATT  
SECRETARIAT TO KEEP SURVEILLANCE OF INTERNATIONAL TRADING  
RULES (INCLUDING BOP AND SAFEGUARDS MEASURES), BUT ALSO  
MADE STRONG PITCH (SECONDED BY ECUADOR) THAT AGREEMENTS  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MTN GE 01341 01 OF 03 241322Z

NEGOTIATING IN MTN SHOULD BE SO STRUCTURED THAT NON-GATT  
MEMBERS COULD PARTICIPATE. COMMENT: BY SPEAKING TO BOTH  
SIDES OF GATT MEMBERSHIP QUESTIONS, MEXICO MAINTAINED OFT-  
STATED POSITION THAT NO DECISION ON POSSIBLE ADHERENCE TO  
GATT WILL BE MADE UNTIL COMPLETION OF MTN AND EVALUATION  
BY MEXICO OF ANY CHANGES IN GATT FRAMEWORK. END COMMENT.

5. REGARDING LEGAL BASIS FOR SPECIAL AND DIFFERENTIAL  
TREATMENT FOR LDC'S, EGYPT (HAMZA), YUGOSLAVIA (TOMIC),  
MALAYSIA (FONG), AND PAKISTAN (HAMID), LATER JOINED BY  
CANADA, STATED THAT MFN PRINCIPLE CURRENTLY HONORED MORE  
IN THE BREACH THAN IN THE OBSERVANCE; ISRAEL AND PAKISTAN

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 MTN GE 01341 02 OF 03 241335Z  
ACTION STR-04

INFO OCT-01 ISO-00 STRE-00 AF-08 ARA-06 EA-07 EUR-12  
NEA-10 IO-13 OIC-02 AGRE-00 CEA-01 CIAE-00 COME-00  
DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04  
NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 ITC-01  
TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01 /133 W

-----241421 027473 /46

P R 241222Z FEB 77

FM USDEL MTN GENEVA

TO SECSTATE WASHDC PRIORITY 2271

INFO ALL OECD CAPS 158

AMEMBASSY BELGRADE

AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMEMBASSY ISLAMABAD

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY LAGOS

AMEMBASSY MANILA

AMEMBASSY MEXICO CITY

AMEMBASSY NAIROBI

AMEMBASSY NEW DELHI

AMEMBASSY SEOUL

AMEMBASSY TEL AVIV

USMISSION USUN

LIMITED OFFICIAL USE SECTION 2 OF 3 MTN GENEVA 1341

ACTION STR, PASS GREENWALD, LANDE, MATTHEISEN

H PASS CODEL

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MTN GE 01341 02 OF 03 241335Z

URGED RECOGNITION OF S/D AS A FORMAL RIGHT OF LDC'S.  
SPEAKING ON SAFEGUARDS GENERALLY (AND ACKNOWLEDGING  
DEPARTURE FROM GROUP'S LIMITED MANDATE), PAKISTAN SAID  
EMERGENCY MEASURES COULD BE OBIATED BY SUCCESSFUL  
STRUCTURAL ADJUSTMENT PROGRAMS IN DC'S. REP ASSERTED GROSS  
VIOLATIONS OF ARTICLES XI AND XIII BY DC'S, NEED FOR TIGHTER  
ADHERENCE TO ARTICLE XXVII STANDSTILL, AND SAW LACK  
OF SPECIFICITY IN ARTICLE XIX AS "A SERIOUS LACUNA."  
ISRAEL ARGUED THAT FLOATING EXCHANGE RATES BY NO MEANS  
ELIMINATE NEED FOR BOP RESTRICTIONS BY MANY LDC'S AND SAID  
FRAMEWORK GROUP WOULD BE APPROPRIATE FORUM FOR LEGALIZING  
LDC BOP SURCHARGE ACTIONS. REGARDING CONSULTATION, SURVEILLANCE,  
AND DISPUTE SETTLEMENT, PAKISTAN REFERRED TO ARTICLE XXIII  
PROCEDURES IN ECHOING MEXICAN PROPOSAL FOR A STANDING  
GENERAL-PURPOSE SURVEILLANCE BODY WHICH WOULD INVESTIGATE  
COMPLAINTS AND DRAFT RECOMMENDATIONS AS WELL AS PERFORM  
MONITORING FUNCTIONS, WITH RULINGS HAVING MANDATORY FORCE.  
(INDIA WANTED SIMILAR BODY TO PRESIDE OVER IMPLEMENTATION

OF TO-BE-LEGALIZED LDC PREFERENTIAL TRADING FRAMEWORK UNDER FIRST TOPIC.) ISRAEL ARGUED AGAINST ADDING SPECIAL S/D PROVISIONS TO DISPUTE SETTLEMENT PROCEDURES, SINCE APPLICATION OF S/D SHOULD AUTOMATICALLY BE INSURED BY SUBSTANTIVE OBLIGATIONS, WITH DISPUTE SETTLEMENT PROCEDURE SERVING AS PROTECTION. ON RECIPROCITY ISSUE, YUGOSLAVIA CALLED FOR GREATER PRECISION OF ARTICLE XXXVI AND OF CONTRIBUTIONS EXPECTED OF LDC'S, AS PROPOSED BY BRAZIL. ISRAEL FOUND NON-RECIPROCITY ARGUMENT OF BRAZIL AND OTHER LDC'S "SLIGHTLY EXAGGERATED" AND SAID LDC'S IN NEGOTIATIONS AMONG THEMSELVES EXPECTED CONTRIBUTIONS FROM NEGOTIATING PARTNERS DESPITE WIDE DIFFERENCES IN LEVELS OF ECONOMIC DEVELOPMENT. INDIA (PREM KUMAR) SAID BOTH DC'S AND LDC'S SHOULD MAKE "ADEQUATE CONTRIBUTIONS" TOWARD EXPANSION OF TRADE BETWEEN THEM, BUT IN GENERAL THOUGHT EXISTING GATT FRAMEWORK "UNSUITED TO REQUIREMENTS" OF LDC'S. MOST OTHER LDC DELS MERELY REITERATED BRAZILIAN POSITION ON RECIPROCITY. EXCEPT FOR ISRAEL, WHICH SUPPORTED REVIEW OF APPLICABLE GATT PROVISIONS, LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MTN GE 01341 02 OF 03 241335Z

FEW LDC DELS ADDRESSED EXPORT RESTRICTIONS TOPIC, OTHER THAN TO EXPRESS AMBIVALENCE, AND TO RESERVE THEIR POSITIONS; MALAYSIA "ASSUMED" IT INCLUDED "VOLUNTARY" EXPORT RESTRAINTS DC'S FORCE ON LDC'S.

6. U.S. (HARTZELL) MADE STATEMENT DRAWING ON REF A IMMEDIATELY FOLLOWING BRAZILIAN STATEMENT. U.S. EMPHASIZED NEED TO FOCUS INITIAL WORK IN FRAMEWORK GROUP ON IDENTIFYING PROBLEMS EXPERIENCED AND CURRENT PRACTICE UNDER EXISTING GATT FRAMEWORK IN AREAS OF FIVE TOPICS, BEFORE RUSHING TO SOLUTIONS. WE STRESSED THAT DEFINITION AND PRESERVATION OF PARTICIPANTS' RIGHTS IN TRADING SYSTEM MUST NECESSARILY BE BALANCED BY CORRESPONDING OBLIGATIONS. U.S. EFFORTS TO IMPROVE THE STRUCTURE OF RIGHTS AND OBLIGATIONS IN SPECIFIC AREAS OF THE TRADING SYSTEM INTENDED TO BE PRAGMATIC AND CONSTRUCTIVE, EXCLUDING WHOLESAL REFORMULATION OF GATT PRINCIPLES. U.S. ORIENTATION ON FIVE AGENDA ITEMS ELABORATED PER REF A: (A) EXISTING LEGAL FRAMEWORK PERMITS S/D AND ALSO SATISFACTORILY MEETS U.S. CONCERNS, BUT WE PREPARED TO CONSIDER WHETHER LDC DISSATISFACTIONS WARRANT SOME CHANGE; (B) US SUGGESTING TWO-PART APPROACH TO IMPROVED HANDLING OF BOP TRADE MEASURES AS DESCRIBED IN OUR PREVIOUS GATT G-18 PAPERS; (C) SEVERAL IMPROVEMENTS POSSIBLE IN AREA OF NOTIFICATION/CONSULTATION/SURVEILLANCE/DISPUTE SETTLEMENT, AGAIN WITH REFERENCE TO EARLIER G-18 DISCUSSIONS; (D) WE SATISFIED WITH ARTICLE XXVI RECIPROCITY STANDARD, SOUGHT UNDERSTANDING OF LDC CONCERNS, AND BELIEVED GREATER LDC ASSUMPTION OF OBLIGATIONS OVER TIME WAS A KEY ASPECT; AND (E) THOUGHT EXPORT RESTRICTIONS EXAMINATION MIGHT PROCEED DELIBERATELY WITH FOCUS ON GREATER COMPARABILITY TO GATT

HANDLING OF IMPORT RESTRICTIONS. US CONCLUDED WITH MENTION OF SUBMISSION LAST WEEK TO NTM INVENTORY OF SOME 90 NOTIFICATIONS OF EXPORT-RESTRICTIVE MEASURES, "IN ORDER TO BUILD UP A PARTIAL DATA BASE IN THIS AREA." US EMPHASIZED THAT NOTIFICATIONS NETHER ACCUSATORY NOR NEGOTIATING REQUESTS, BUT THAT THEY INTENDED TO BE INFORMATIVE FOR ALL DELS. FULL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MTN GE 01341 02 OF 03 241335Z

US STATEMENT AND THREE PAPERS DRAWN FROM REF A (TOPICS B, C, E) WILL BE CIRCULATED AS GATT DOCUMENT.

7. JAPAN (KAYA) ECHOED US WARNING AGAINST SEEKING CHANGE MERELY FOR SAKE OF CHANGE ITSELF, AND WENT ON TO SAY IT NOT INCLINED TO SEEK ANY REVISION OF GATT OBLIGATIONS THEMSELVES, EVEN IN NAME OF IMPROVEMENT, ALTHOUGH IMPROVEMENTS IN APPLICATION WERE POSSIBLE. HOWEVER, JAPAN RECONFIRMED SUPPORT OF GROUP AS LONG AS ALL FIVE TOPICS WERE TO BE ADDRESSED. ON SUBSTANTIVE TOPICS, JAPAN PROVIDED EXTREME POLE OF CONSERVATISM WITH FIRM STANCE AS SKEPTIC ON LDC DEMANDS FOR LEGALIZATION OF S/D AND FOR ESTABLISHMENT OF NON-RECIPROCITY PRINCIPLE. (RECIPROCITY WAS CASE-BY-CASE MATTER.) REGARDING BOP SAFEGUARDS, JAPAN SAID DC DECLARATION TO AVOID THEIR USE (PROPOSED BY US) WOULD BE EFFECTIVE, BUT THAT REVISION OF ARTICLE XII ITSELF NOT NECESSARY OR DESIRABLE. DECLARATION PLUS IMPROVED PROCEDURES, THROUGH GATT BOP COMMITTEE, OUGHT TO BE SUFFICIENT. JAPANESE PUT PARTICULAR EMPHASIS ON "DETERRENT EFFECT" OF ARTICLE XII PROVISIONS IN "RESTRAINING COUNTRIES FROM TEMPTATIONS" TO RESORT TO TRADE MEASURES FOR BOP PURPOSES. ON CONSULTATION, SURVEILLANCE, AND DISPUTE SETTLEMENT, DISCUSSIONS SHOULD START WITH REVIEW OF PRACTICE UNDER ARTICLES XXII AND XXIII, SINCE THESE HAVE PROVIDED BASICALLY SOUND FRAMEWORK FOR RESTRAINING DISPUTING PARTIES. JAPANESE EXPRESSED "KEEN INTEREST" IN REAFFIRMING RULES ON EXPORT RESTRICTIONS, SAYING THAT GATT RULES WERE BASED ON

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 MTN GE 01341 03 OF 03 241355Z  
ACTION STR-04

INFO OCT-01 ISO-00 STRE-00 AF-08 ARA-06 EA-07 EUR-12  
NEA-10 IO-13 OIC-02 AGRE-00 CEA-01 CIAE-00 COME-00

DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04  
NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 ITC-01  
TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01 /133 W  
-----241419 027693 /46

P R 241222Z FEB 77  
FM USDEL MTN GENEVA  
TO SECSTATE WASHDC PRIORITY 2272  
INFO ALL OECD CAPITALS 159  
AMEMBASSY BELGRADE  
AMEMBASSY BOGOTA  
AMEMBASSY BRASILIA  
AMEMBASSY BUENOS AIRES  
AMEMBASSY CAIRO  
AMEMBASSY CARACAS  
AMEMBASSY ISLAMABAD  
AMEMBASSY JAKARTA  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY LAGOS  
AMEMBASSY MANILA  
AMEMBASSY MEXICO  
AMEMBASSY NAIROBI  
AMEMBASSY NEW DELHI  
AMEMBASSY SEOUL  
AMEMBASSY TEL AVIV  
USMISSION USUN NEW YORK

LIMITED OFFICIAL USE SECTION 3 OF 3 MTN GENEVA 1341

ACTION STR, PASS GREENWALD, LANDE, MATTHEISEN

H PASS CODEL

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MTN GE 01341 03 OF 03 241355Z

SHAKY PRESUMPTION THAT EXPORTS WOULD MOVE FREELY IN WORLD  
TRADE. JAPAN NOT PROPOSING CONCRETE WORK PROGRAM, BUT PREPARED  
TO CONSIDER DEVELOPING GUIDELINES OR CODE OF CONDUCT INVOLVING  
GENERAL PROHIBITION OF EXPORT RESTRICTIONS.

8. EC (LUYTEN) REITERATED U.S. POINT THAT INCREASING RIGHTS  
COULD NOT CONTINUE WITHOUT BALANCING OBLIGATIONS. EC FLATLY  
RULED OUT BINDING OF S/D PROVISIONS, SAID IT EXPECTED APPRO-  
PRIATE CONTRIBUTIONS FROM ALL COUNTRIES, BUT NEVERTHELESS  
THOUGHT PROSPECTS ON FIRST TOPIC "VERY PROMISING." REGARDING  
DC BOP SAFEGUARDS, EC COMPLAINED THAT FRAMEWORK GROUP WOULD  
BE DEALING WITH ONLY PART OF PROBLEMS SINCE IMF "WILL BE  
RECONSIDERING SITUATION" IN APRIL; FOR LDC'S, GREATER  
WILLINGNESS TO CONSULT IMPORTANT, AND EASIER TREATMENT  
POSSIBLE. EC WILLING TO EXPLORE POSSIBILITIES ON NOTIFICATION,

BUT THOUGHT CONSULTATION AND DISPUTE SETTLEMENT SHOULD CONTINUE IN GATT G-18 DISCUSSIONS. EC AGREED WITH JAPAN THAT EXPORT RESTRICTIONS BE EXAMINED WITH A VIEW TOWARD DEVELOPING A NOTIFICATION/CONSULTATION PROCESS UNDER LIMITING GATT PROVISIONS, AND ENDORSED U.S. PROPOSAL FOR FACTUAL EXAMINATION.

9. NORWAY (SELMER), SPEAKING FOR NORDICS, SUPPORTED WORK OF FRAMEWORK GROUP ALONG LINES OF FIVE-TOPIC AGENDA AS DID AUSTRIA AND NEW ZEALAND. SWITZERLAND (AMB. DUNKEL) ENDORSED WORK ON ALL FIVE TOPICS; DUNKEL ESPECIALLY POSITIVE ON EXPORT RESTRICTIONS AND DISPUTE SETTLEMENT ITEMS, WHILE TAKING "TWO-PHASE" APPROACH ON BOP SIMILAR IN CONTENT TO U.S., BUT LOW-KEY IN RHETORIC. (FYI: DUNKEL PRIVATELY TOLD U.S. DEL THAT SWISS HAD BEEN TO PARIS IN JANUARY IN EFFORT TO SOFTEN FRENCH AND EC RESISTANCE ON BOP ITEM, BUT DISCOVERED SENIOR FRENCH OFFICIALS HARDLY EVEN AWARE TOPIC UNDER CONSIDERATION, WHILE LOWER LEVEL BUREAUCRATS UNCOOPERATIVE. END FYI) LIKE U.S., SWISS EMPHASIZED GRADUATION AS BASIS ON WHICH S/D (WHICH "MUST BE PROVISIONAL") COULD BE MADE FEASIBLE IN MOST PERSUASIVE WAY. AUSTRALIA (SPENCER) SAID BEFORE NEGOTIATING IN GATT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MTN GE 01341 03 OF 03 241355Z

PROVISIONS GROUP, SHOULD FOCUS ON USE OF EXISTING PROVISIONS, AND RESTATED EARLIER POSITION THAT DISCUSSION NOT NECESSARY ON EXPORT RESTRICTIONS, URGING GROUP TO FOCUS ON "RELEVANT" TOPICS.

10. CANADA (AMB. GRAY) AT OPENING OF MEETING POSED "HYPOTHETICAL QUESTION" TO CHAIRMAN ON WHETHER FRAMEWORK GROUP COULD PROCEED WITH DISCUSSION ON AGENDA ITEMS ON WHICH SOME DELS (I.E., CANADA) HAD REGISTERED "ALMOST WHAT AMOUNTS TO A RESERVATION." CHAIRMAN RESPONDED WITH "HYPOTHETICAL ANSWER" THAT WERE QUESTION TO BE ASKED, HE WOULD NOTE THAT RULINGS FROM CHAIR WERE NOT PART OF GATT PRACTICE AND THAT OTHER MTN GROUPS HAVE PROCEEDED TO WORK FROM AGENDAS INCLUDING ITEMS WHICH DID NOT HAVE UNANIMOUS ENDORSEMENT OF DELS, WITHOUT PREJUDICE TO POSITIONS OF DISSENTERS. (FYI THIS EXCHANGE PRE-PLANNED TO GIVE CANADIAN DEL BASIS FOR EXPLAINING TO HOME AUTHORITIES ITS "PARTICIPATION" IN GROUP DISCUSSING EXPORT RESTRICTIONS. END FYI). FOLLOWING CHAIRMAN'S RESPONSE, CANADA REMAINED SILENT; AT OUTSET OF SECOND DAY'S SESSION, HOWEVER, GRAY DELIVERED LENGTHY, ABUSIVE COMPLAINT AGAINST JAPAN, EC, AND U.S. FOR DISCUSSING EXPORT-RESTRICTIONS TOPIC DESPITE CANADIAN SENUYIVITIES. REGARDING U.S. STATEMENT, CANADA PERCEIVED "ADMIXTURE OF MORALIZING AND PIETY," SAID U.S. "ATTEMPTING TO STEAM-ROLLER US," BUT ALSO "WASTING OUR TIME." DESPITE UNWILLINGNESS TO CONSIDER TOPIC ITSELF, HE FELT FREE TO ARGUE THAT DEFINITION OF "RESTRICTIONS" DID NOT INCLUDE EXPORT TAXES, ONLY QR'S. GREY LOOKED FORWARD TO SERIOUS BILATERAL TALKS WITH U.S. MTN DEL.



11. CHAIRMAN'S SUMMING UP REFERRED TO IMPORTANT STATEMENTS  
BE DELS, NOTED SEVERAL OF TTHESE WOULD BE CIRCULATED IN  
WRITTEN FORM FOR CONSIDERATION IN CAPITALS AND FOR  
CONSULTATIONS BETWEEN DELS, AND OBSERVED THAT SOME ADDITIONAL  
PROPOSALS MIGHT BE EXPECTED BEFORE NEXT MEETING. MTN DEL  
WILL POUCH ALL SUBMISSIONS AS SOON AS RECEIVED; JAPANESE  
AND MEXICAN STATEMENTS ALREADY PROVIDED US, AND ALONG WITH  
U.S. STATEMENT BEING HAND-CARRIED BY MATTHEISEN, STR, TO LANDE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MTN GE 01341 03 OF 03 241355Z

AND GREENWALD.

12. NEXT MEETING OF GROUP TO BE SCHEDULED IN MAY BY ACTING  
CHAIRMAN IN CONSULTATION WITH DELS, WITH SAME ALL-  
PURPOSE AGENDA (PARA 2E, REF C) AS FOR THIS MEETING. WALKER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LESS DEVELOPED COUNTRIES, TEXT, REORGANIZATIONS, DIPLOMATIC DISCUSSIONS, NEGOTIATIONS, EXPORT CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 24-Feb-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977MTNGE01341  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770064-0480  
**Format:** TEL  
**From:** MTN GENEVA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770213/aaaaalro.tel  
**Line Count:** 460  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 6666c1bf-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION STR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 9  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 MTN GENEVA 1020, 76 MTN GENEVA 9961, 76 MTN GENEVA 8858  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 12-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3241646  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MTN FRAMEWORK GROUP MEETING, FEBRUARY 21-22, 1977  
**TAGS:** ETRD, GATT, MTN  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/6666c1bf-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009